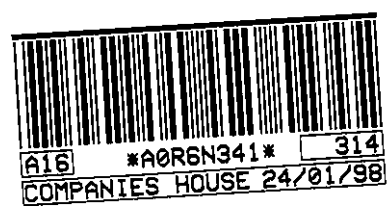


CAPSCAN LIMITED

COMPANY NO 01183941

ABBREVIATED ACCOUNTS

31ST MARCH 1997



REPORT OF THE AUDITORS

TO THE MEMBERS OF

CAPSCAN LIMITED

Under paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 5, together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page 3 and the abbreviated accounts have been properly prepared in accordance with Part 111 of Schedule 8 to the Companies Act 1985.

On *19th January* 1998 we reported to the members on the statutory accounts of the company for the year ended 31st January 1996 prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part 1 of Schedule 8. Our report under section 235 of the Companies Act 1985 was as follows:-

"We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

CAPSCAN LIMITED

REPORT OF THE AUDITORS

(continued)

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies."

37 Park Road
Bromley
Kent
BR1 3HJ

19th January 1998

Moore Rowland

MOORES ROWLAND
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

CAPSCAN LIMITED

Abbreviated Balance Sheet - 31st March 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	114,837	91,860
CURRENT ASSETS			
Debtors		1,306,329	1,217,458
Cash at bank and in hand		1,337,019	682,116
		2,643,348	1,899,574
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		(1,441,995)	(643,403)
NET CURRENT ASSETS		1,201,353	1,256,171
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 1,316,190	£ 1,348,031
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		1,316,090	1,347,931
NET EQUITY INTERESTS		£ 1,316,190	£ 1,348,031

The directors have taken advantage of the exemptions conferred by Section A, Part 111 of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of
the Board of Directors

......

Director

Approved by the Board: 16 JANUARY

1998

CAPSCAN LIMITED

Notes to the Abbreviated Accounts For the year ended 31st March 1997

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

CASH FLOW

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

TURNOVER

Turnover represents net invoiced sales of goods and services, excluding VAT.

DEPRECIATION

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	25% on the reducing balance
Motor vehicles	25% on the reducing balance

STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

CAPSCAN LIMITED

Notes to the Abbreviated Accounts
for the year ended 31st March 1997
(continued)

PENSION COSTS

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1st April 1996	219,722	31,978	13,755	265,455
Additions	14,136	1,793	42,426	58,355
	-----	-----	-----	-----
At 31st March 1997	233,858	33,771	56,181	323,810
	-----	-----	-----	-----
Depreciation				
At 1st April 1996	140,346	30,064	3,185	173,595
Charge for the year	29,349	267	5,762	35,378
	-----	-----	-----	-----
At 31st March 1997	169,695	30,331	8,947	208,973
	-----	-----	-----	-----
Net book values				
At 31st March 1997	64,163	3,440	47,234	114,837
	=====	=====	=====	=====
At 1st April 1996	79,376	1,914	10,570	91,860
	=====	=====	=====	=====

3. CALLED UP SHARE CAPITAL

Authorised		
100 ordinary shares of £1 each	100	100
	=====	=====
Issued and fully paid		
100 ordinary shares of £1 each	100	100
	=====	=====